



Los Angeles County AUDIT COMMITTEE

Carl Gallucci, Chair
4th District
Louisa Ollague, Vice-Chair
1st District
Dorinne Jordan
2nd District
Genie Chough
3rd District
Lori Glasgow
5th District

MINUTES JULY 16, 2009

Chair Carl Gallucci called the meeting to order at 10:37 a.m. in Conference Room 525, Kenneth Hahn Hall of Administration.

Committee Members Present

Carl Gallucci, Chair, Fourth District
Louisa Ollague, Vice Chair, First District
Dorinne Jordan, Second District
Lisa Mandel, Third District
Lori Glasgow, Fifth District

APPROVAL OF MAY 21, 2009 MINUTES

On motion of Lori Glasgow, seconded by Lisa Mandel and unanimously carried, the minutes of May 21, 2009 were approved.

BOARD POLICIES

Board Policy Review – 5.050: Contractor's Use of Gain/Grow Participants (02/23/09): Vice Chair Ollague requested that further document review be discussed at the Cluster meetings, and that a listing of all eligible jobs, training and entrepreneurship provided be included. **On motion of Carl Gallucci, seconded by Louisa Ollague and unanimously carried, the Committee received and filed this report.**

Board Policy Statement Review 8.020 – Sunset Review (04/10/09): **On motion of Carl Gallucci, seconded by Louisa Ollague and unanimously carried, the Committee received and filed this report.**

Sunset Review – Board Policy No. 9.140 Hard Hiring Freeze Policy (5/14/09): **Following discussion, on motion of Louisa Ollague, seconded by Lori Glasgow and unanimously carried, the Committee received and filed this report.**

Review of Board Policy 9.020 (05/21/09): Louisa Ollague asked to revise the policy to state a review of the disciplinary practices of Departments along with the Director of Personnel at the discretion of the CEO. **On motion of Carl Gallucci, seconded by Louisa Ollague and unanimously carried, the Committee continued this item to its August 20, 2009 Audit Committee meeting.**

Review of Board Policy No. 5.080 (06/19/09): **On motion of Louisa Ollague, seconded by Lori Glasgow and unanimously carried, the Committee received and filed this report.**

Review of Board Policy 5.065 – Nonprofit Contractor Requirements Policy (06/19/09): Frank Cheng, CEO, stated the policy complies with the implementation of SB 1262. **On motion of Louisa Ollague, seconded by Lori Glasgow and unanimously carried, the Committee received and filed this report.**

CONTINUANCES

On motion of Carl Gallucci, seconded by Louisa Ollague and unanimously carried, the Committee continued the following items to its August 20, 2009 Audit Committee meeting:

Probation Department – Payroll/Personnel Review (06/04/09)

Department of Community and Senior Services – Fiscal Monitoring of Domestic Violence Program Service Providers for Fiscal Year 2006-07 (06/09/09): Complaints indicate that certain vendors are not on all the contractor lists. Jackie Sakane, Community and Senior Services (CSS), reported that the outstanding findings of \$428,591 of Domestic Violence (DV) service providers in 2006-07 are almost reconciled. She will report back to Chair Gallucci on the reconciliation of dollar findings and on problems related to costs attributed to the DV programs.

Department of Health Services – Review of Public Private Partnership Program Contract with Altamed Health Services, Inc. (06/25/09)

Review of the Sheriff's Garnishment System (MAPAS) (07/08/09)

Contractors Repayment Guidelines (Discussion)

Contract Cash Flow Advances (7/10/09)

RECEIVED AND FILED

On motion of Carl Gallucci, seconded by Louisa Ollague and unanimously carried, the Committee received and filed the following reports:

Department of Public Health Fiscal Review (01/26/09): Maria Oms, Auditor Controller, reported the following:

- The trust fund issue was that large amounts were not reconciled timely. However, the Department has initiated efforts to implement recommendations and issued a Corrective Action Plan to the Board of Supervisors on March 9, 2009.
- Public Health is moving to compliance, will utilize the fund within the next two years, 70 new health inspectors were hired to address significant vacancy issues, and efforts to recoup travel advances, payroll overpayments and over-recoveries timely are ongoing.
- There is no financial impact due to the under spending of contract dollars and under filling of grant positions.
- Ms. Oms will provide Ms. Jordan a copy of the Corrective Action Plan.

Hub Cities Consortium Allegation Review (03/24/09)

Cash Flow Projection (04/16/09): John Naimo, Auditor Controller, provided a handout outlining the last five years' County General Fund Balance Sheet, assets, liabilities, and fund balance; General Fund and Hospital Funds, assets and fund balance; and Accounts Receivables, and reported the following:

- The fund balance is lower for the second consecutive year primarily due to the faltering economy producing lower property tax and central transfer revenues
- The County advances monies to Health and Public Health and requests state and federal government reimbursement that occurs at fluctuating time periods.
- Tax revenues are not keeping up with expenditures, and agreed to report back on the end of year balances, property tax revenue and provide trust fund totals on all Departments.
- Mr. Corser will e-mail the Chair on recommendations by Allan Kotin, Economist, on the economic forecasting of the County.

Discussion ensued on how the County Fire Department's forecast of property tax revenue differs from the County. Mr. Naimo will coordinate a meeting to discuss this issue with the Fire and Library Departments. Also, Ms. Oms is providing an audit of Department of Public Health's trust funds to discuss at the next meeting.

City of Long Beach Contract Review – A Department of Public Health HIV/AIDS Care and Prevention Services Provider (05/14/09)

On motion of Louisa Ollague, seconded by Lori Glasgow and unanimously carried, the Committee received and filed the following reports:

West San Gabriel Valley Consortium dba Career Partners – Rosemead Contract Review – A Community and Senior Services Workforce Investment Act Program Provider – Fiscal Year 2008-09 (05/18/09)

Arbor Education & Training, LLC – East Los Angeles Employment & Business Center Contract Review – A Community and Senior Services Workforce Investment Act Program Provider – Fiscal Year 2008-09 (05/18/09)

Special Services for Groups Contract Review - A Community and Senior Services Workforce Investment Act Program Provider – Fiscal Year 2008-09 (05/18/09)

City of Pasadena – A Department of Public Health HIV/AIDS Preventive Care Service Provider – Follow-Up Review (05/18/09)

Managed Career Solutions, Inc. Contract Review - A Community and Senior Services Workforce Investment Act Program Provider – Fiscal Year 2008-09 (05/18/09)

To Help Everyone Clinic, Inc. Contract – Follow-Up Review (05/20/09)

The Resources Company's Evidence-Based Practices Training Status Report – 10/1/2008 to 3/31/2009 (05/21/09): Lori Glasgow requested an email on the total amount of all agreements paid to the vendor.

Status Report Number Four on the Los Angeles County Office of Education Juvenile Court Schools Funding Utilization (Board Agenda Items 6 and 47-E, October 14, 2008) (05/26/09)

City of Pasadena – Foothill Workforce Investment Board Contract Review – A Community and Senior Services Workforce Investment Act Program Provider – Fiscal Year 2008-09 (05/26/09)

For the Child, Inc. Contract Review – A Department of Mental Health Service Provider (06/05/09)

Los Angeles Urban League, Inc., City of Pomona Contract Review – A Community and Senior Services Workforce Investment Act Program Provider – Fiscal Year 2008-09 (06/05/09)

South Bay Children's Health Center – A Department of Mental Health Service Provider (06/05/09)

Los Angeles County Office of Education Contract Review – A Department of Public Social Services Greater Avenues for Independence Program Provider (06/08/09)

Spiritt Family Services Contract Review – A Department of Mental Health Service Provider (06/08/09)

Leroy Haynes Center for Children and Family Services Contract Review – A Department of Mental Health Service Provider (06/09/09)

Los Angeles County Office of Education Contract Review – A Community and Senior Services Workforce Investment Act Program Provider – Fiscal Year 2008-09 (06/09/09)

Los Angeles Urban League, Inc., South Central Contract Review – A Community and Senior Services Workforce Investment Act Program Provider – Fiscal Year 2008-09 (06/08/09)

California State University, Long Beach Foundation Contract Review – A Department of Public Health HIV/AIDS Prevention Services Provider (06/08/09)

Department of Community and Senior Services – Fiscal Monitoring of Area Agency on Aging Program Service Providers for Fiscal Year 2006-07 (06/09/09)

Audit of the Los Angeles County Treasury and Review of the Treasury Oversight Committee's Compliance with Government Code Requirements for the Year Ended June 30, 2008 (06/11/09)

Department of Health Services Harris-Rodde Settlements – Average Length of Stay and Emergency Department Boarding Time Review for the Quarter ended December 31, 2008 (06/16/09)

Treasurer's March 11, 2009 Cash Count (06/22/09)

Project Angel Food Contract Review – A Department of Public Health HIV/AIDS Care Services Provider (6/26/2009)

Status Report on the New Roads School Program Effectiveness Review (Board Agenda Item 27, March 24, 2009) (06/30/09)

Serenity Infant Care Homes – A Department of Mental Health Service Provider (07/07/09)

Commission Sunset Review Date Extensions (All Supervisorial Districts) (3-Votes) (07/07/09):
Lori Glasgow noted the following:

- The Audit Committee wanted to wait until the end of the CEO's Commission Study review to approve Commission Sunset Review Date Extensions.
- The extensions on the ten commissions listed should end on 12/01/09.

Tom Fagan, County Counsel, noted that about two weeks is needed to alter the Ordinances and Board Letters.

Chair Gallucci will contact Sachi Hamai, Executive Officer, and ask that Item 11 on the July 21, 2009, Board of Supervisors' agenda, along with the corresponding ordinances (Items 55 – 61) be referred back. **Motion includes Ms. Glasgow's suggested Sunset Date.**

Los Angeles Community College District – Los Angeles Mission College Contract Review – A Community and Senior Services Workforce Investment Act Program Provider – Fiscal Year 2008-09 (07/08/09): Louisa Ollague asked Ms. Sakane what is being done to ensure the performance outcome is met. Ms. Sakane will report by email to Chair Gallucci when the report will be on the web and the action against the contractor.

OTHER BUSINESS

CSS Quarterly Monitoring Status: Ms. Sakane summarized the following:

- Explanation of Questioned Costs and Collected/Resolution Detail Report
- Quarterly Questioned Costs Collection/Resolution Status Report
- Status Report on Recommendations of Findings FY 2005-2009
- Compliance Resolution Directive
- All reports issued by the Auditor Controller are a work in progress, monies will be held in cases of non-compliance, and CSS sanctions can be Probation (monitoring contractor's non-compliance, which if continued could impact client referrals, additional funding, etc.), suspension of payments, suspension of contract services, and termination of contract.
- The Department of Labor receives a monthly report from CSS and will monitor CSS within a few weeks.
- Questioned Costs for FY 2006/07 and 2007/08 have been resolved.

Following discussion, Ms. Sakane will e-mail Chair Gallucci on whether South Bay is in fact decertified by the City of Los Angeles.

PUBLIC COMMENT

There was none.

MATTERS NOT ON THE POSTED AGENDA (TO BE PRESENTED AND PLACED ON THE AGENDA OF A FUTURE MEETING)

There was none.

ADJOURNMENT

There being no further business to conduct, the meeting was adjourned at 12:11 p.m.

Department Representatives in Attendance

Maria Oms, Auditor-Controller
John Naimo, Auditor-Controller
Jim Schneiderman, Auditor-Controller
Elaine Boyd, Auditor-Controller
Jon Neill, Auditor-Controller
Greg Hellmold, Auditor-Controller
Frank Cheng, Chief Executive Office
Ed Corser, Chief Executive Office
Kary Golden, Chief Executive Office
Destiny Hoffman, Chief Executive Office
Erick Lopez, Chief Executive Office
Ruth Wong, Chief Executive Office
Robert Brief, Community and Senior Services
Jackie Sakane, Community and Senior Services
Tom Fagan, County Counsel
Marion Figueroa, Department of Human Resources
Raymond Low, Department of Public Health
Miles Yokota, Department of Public Health
Maria Del Valle, Department of Public Social Services
Luther Evans, Department of Public Social Services
Ignacio Gonzalez, First District
John Wicker, Fourth District

Commission Services Staff

Lee Millen, Commission Services
Nyla Jefferson, Commission Services
Sandra Barbee, Commission Services
George Britton, Commission Services
Twila Kerr, Commission Services